

The Tourism Assessment Program was created when the **California Tourism Marketing Act** was adopted in 1995 with the passage of SB 256. The legislation authorized self-imposition of an assessment by businesses that benefit from travel and tourism. It also authorized the establishment of a non-profit, public benefit corporation, the California Travel and Tourism Commission (CTTC), to oversee the promotion of California as a premier travel destination.

In 2001, the Act was renewed by an 84 percent margin and will subsequently be renewable by industry vote every six years. The CTTC oversees the production of a variety of marketing activities, including advertising, visitor publications and cooperative programs – all designed to promote California to travelers, tourists and the travel trade.

As directed by statute, the California Division of Tourism administers the Tourism Assessment Program. As of January 1, 2004, the Division of Tourism was transferred to the Business, Transportation and Housing Agency where the Agency's Secretary, Sunne Wright McPeak, serves as Chairperson of the CTTC.

Every year additional California businesses are contacted regarding the Tourism Assessment Program. Following are answers to frequently asked questions about the Tourism Assessment Program and the CTTC.

Is this just another state taxation program?

No, the assessment is not a state tax. It is an industry self-assessment authorized by state law. The enabling legislation was introduced by the Senate at the urging of the travel industry. The state does not have access to any assessment funds and decisions regarding expenditures come directly from the travel and tourism industry through the 37 CTTC Commissioners and various industry groups.

Who are the Commissioners of the CTTC?

The Commissioners are travel and tourism industry leaders representing various regions and industry categories. They are elected by their peers, or appointed to serve on behalf of the Governor. The current Commissioners, business affiliations and/or regional locations are listed on the back left side panel.

Why did I receive the Tourism Assessment Form mailing and my neighbors did not?

Businesses that receive the Tourism Assessment Form are identified by various means, including business lists, individual business promotion activities, on-site identification surveys, phone book listings and the Internet. Some businesses may not receive the Form because they do not meet the income threshold (gross revenues exceeding \$1 million, with eight percent coming from tourist oriented revenue). All potentially assessable businesses will eventually receive the Tourism Assessment Form.

What prompted the legislation that created the assessment?

The legislation was created because of a dramatic downturn in California's domestic travel market share in the early 1990s. California legislators introduced the bill at the request of tourism and travel related businesses that experienced a resulting loss of business from the declining market share.

How does my business benefit from the assessment?

The CTTC promotes tourism throughout the entire state and collectively does what other businesses cannot do individually. The travel industry stated a need to promote "the California destination" because no other organization promotes all of California. Without this program, California would be the only state in the nation without an aggressive marketing campaign.



Since 1998 when the travel industry began funding the CTTC and its marketing programs, California's share of the domestic travel market grew from 9.7 to 11.5 percent. California tourism generates approximately \$78.2 billion each year in spending, employs nearly 900,000 Californians, and contributes \$5 billion annually in state and local taxes.

How much money does the assessment raise for marketing?

In six years the total has exceeded \$36 million.

1998 - 1999	\$5.4 million
1999 - 2000	\$5.4 million
2000 - 2001	\$6.3 million
2001 - 2002	\$6.7 million
2002 - 2003	\$6.4 million
2003 - 2004	\$6.9 million

What is the status of the budget for the Division of Tourism?

In the past, the state allocated approximately \$7 million to the Division of Tourism's budget. State funding for tourism marketing was not included in the May Revise budget released

in 2004. The CTTC will continue the marketing and promotion for California Tourism, operating at a base level of approximately \$6.9 million coming from assessed business revenues.

Am I assessable if most of my receipts are from business travelers?

Yes, if you meet the income threshold (gross revenues exceeding \$1 million, with eight percent coming from tourist business). The assessment is computed on receipts derived from travel, which includes business travel. For a complete definition of a "visitor" or "travel and tourism" and other defining criteria, please see the Tourism Assessment Form instructions or www.visitcalifornia.com.

After completing the Tourism Assessment Form, I find that my business is exempt. Do I need to file a form next year too?

In any year that you receive the Tourism Assessment Form, you must complete and return it. Whether or not you receive future mailings is dependent in part on the reason(s) your business was previously exempt.

I own and operate several locations of my business. Must I complete a separate form for each location?

Yes, you must file for each business location. You may use an Assessment Program spreadsheet if you prefer. Contact the Tourism Assessment Program office at (916) 322-1266 to request more information.

What type of documentation do I have to provide?

You do not need to provide documentation. You are only required to provide figures. However, retain your computation methodology for three years in case the Tourism Assessment Program has a question about your calculations.

How can I get additional information about the Tourism Assessment Program?

For more information on the Tourism Assessment Program, go to our Web site, www.visitcalifornia.com, or call the Tourism Assessment Program at (916) 322-1266. You may also contact the CTTC at (916) 444-4429.

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